

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 90-158-E
GAS AND ELECTRIC COMPANY)	

O R D E R

On December 21, 1990, the Commission issued its Order in Case No. 90-158 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas supply clause ("GSC") set forth therein.

On January 3, 1992, Louisville Gas and Electric Company ("LG&E") filed its quarterly GSC, which is to become effective February 1, 1992 and is to remain in effect through April 30, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice of January 3, 1992 set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its suppliers in the average amount of 2.993 cents per 100 cubic feet, including take-or-pay billings. LG&E's expected gas supply cost for the quarter beginning February 1, 1992 is 24.818 cents per 100 cubic feet, or \$2.4818 per Mcf.

2. LG&E's notice reflected no current refund factor. The total refund factor for sales customers is .1650 cents per 100 cubic feet. The change in the refund factor for sales customers from last quarter to the current quarter results in an increase in retail rates of .0560 cents per 100 cubic feet.

3. LG&E proposed a current quarter actual adjustment of (.266) cents per 100 cubic feet to compensate for over-recovery of gas cost by the Company through the operation of its gas cost recovery procedure during the months of August, September, and October 1991. The total actual adjustment of (1.574) cents per 100 cubic feet, which is designed to correct the current over-recovery as well as under- and over-collections from three previous quarters, results in a .414 cent per 100 cubic feet increase in LG&E's retail rates from last quarter.

4. LG&E proposed a balance adjustment in the amount of (.601) cents per 100 cubic feet, which replaces the previous adjustment of (.107) cents. This balance adjustment compensates for over-collections which occurred as a result of previous actual and balance adjustments and includes amounts remaining to be refunded from the refund factor established in Case No. 10064-J.¹ The effect on retail rates is a .494 cent per 100 cubic feet decrease.

¹ Case No. 10064-J, the Notice of Purchased Gas Adjustment Filing of Louisville Gas and Electric Company, Order dated November 1, 1990.

5. The combined effect of the above adjustments is LG&E's proposed total gas supply cost component of 22.478 cents per 100 cubic feet, a decrease from its last approved GSC of 3.017 cents per 100 cubic feet, or 30.17 cents per Mcf. This decrease represents the combined effect of the supplier decrease, actual, balance, and refund adjustments.

6. The adjustment in rates set out in the Appendix to this Order, determined under the GSC provisions approved by the Commission in its Order in Case No. 90-158 dated December 21, 1990, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after February 1, 1992.

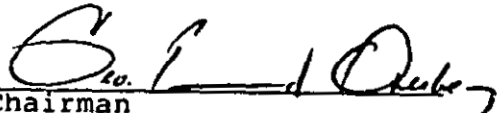
IT IS THEREFORE ORDERED that:

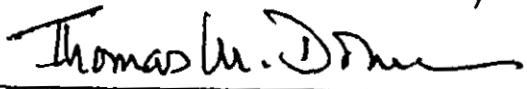
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after February 1, 1992.

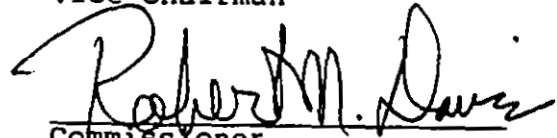
2. Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-158-E DATED 1/29/92

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment

The total Gas Supply Cost Component shall be 22.478 cents per 100 cubic feet during the period covered by the bill.

The base rates for the future application of the gas supply cost adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$3.81	243.07¢ (Feb. Estimate)